

President Noble, members of the Kingston Common Council, Family, and Friends. It is my distinct privilege and honor to report to you on the status of our city.

First, I want to take a moment to congratulate the members of this Council for recent victories, which led to taking your oath of office. The Kingston community has decided which leaders will set a course of action for this great city and each of you has been empowered by the people to do your best to ensure a bright future for your neighborhood as well as the entire City of Kingston. Your commitment to this duty is greatly appreciated. I hope you accept each day of your term with honor and with courage to do what is right for the people of Kingston.

This past year, 2009, has presented difficult challenges for this city. The present year, I feel, will be even more challenging. If there ever was a time for political leaders to come together for the betterment of the community, that time is now. We as a government must look at long- range solutions. We must project into the future and make decisions that will be beneficial to our community in the years to come. I am confident that together we can, and will, work to achieve that goal.

Our first priority must be maintaining a strong financial footing. Our most challenging task is providing the many services necessary to keep our city operating efficiently while focusing on the tax rate that is charged to our citizens. I believe the best way to achieve this is to move aggressively to grow our tax base in both the residential and commercial areas. I have tried to lay the groundwork for achieving that goal by promoting commercial and residential development in the City of Kingston. As a result we have both manufacturing and retail businesses blossoming, and we have two major housing developments on the horizon.

We still, however, are feeling the effects of the sluggish economy. As for City finances, the current economic downturn, which began in 2008, hit full force in 2009 and presents a major challenge as we look forward to 2010. Nearly every major revenue category of the city is tied to the economy, so the effects of the current recession are far reaching.

The amount of property taxes in delinquent status continues to climb as many of our residents and business owners struggle to

make ends meet during these difficult times. Sales tax collections are expected to decline to our 2004 levels. Meanwhile, mortgage tax collections are anticipated to be less than 50% of the amount collected just three short years ago, and we expect reductions in state aid will remain a distinct possibility.

At the same time, we are faced with substantial cost increases on the expenditure front, particularly in the area of employee benefits. Contractually mandated payments to the NYS Retirement System in 2010 will increase by over 40% per employee. State legislation to allow municipalities such as Kingston to amortize this enormous cost increase appears unlikely to be successful, leaving communities across the state, including ours, without relief. These situations are occurring in other cities, villages, and towns across the Hudson Valley, around the State, and the Country. There is no quick fix for these current economic problems. Long range planning will be essential to recovery.

This year we were able to contain our costs by reducing spending and enlisting the cooperation of our hard working union members. Spending in the 2010 budget is down over \$1,202,811 from the prior year and the overall tax levy has been reduced by \$414,013. These reductions are the result of an intensive process that began in early 2009 and ended just days before the budget's adoption.

We were only able to do this with the help of our union officials and the rank and file of two of our labor unions. The Kingston Professional Firefighters were the first to respond to our urgent call and their willingness to work with the City set the stage for this historic compromise.

I want to publicly thank the firefighters, under the leadership of Tom Tiano, for understanding the needs of our community, and for agreeing to labor contract concessions that helped the city through a very difficult budget.

Once this fire agreement was adopted, the members of the Kingston Police Benevolent Association soon followed with the same commitment to helping the City. As a result of these contract concessions from both unions, all parties involved were able to avoid staff layoffs. Many members of both unions sacrificed a little so a few would not have to sacrifice it all, and we were able to avoid job layoffs in both of our emergency service units. THANK YOU!

This shows our proud City will not sit idle waiting for the winds of change during tough economic times. We have demonstrated that we have been, and will continue to be, proactive in taking action to solve economic problems but we will continue to need everyone working together to weather this storm.

Our strategy will be

- To continue to reduce costs, and,
- To grow revenue through the expansion of our tax base, which we can do by supporting business.

This administration vigorously supports new business in our community. New private projects in Kingston include an expansion at Armor Dynamics, two new pharmacies and two new housing developments. In addition, the City is making improvements to business districts to beautify and improve these areas.

Congressman Hinchey has obtained, a 1.6 million dollar grant, which will be spent at our industrial park where Armor Dynamics is planning to expand. What is exciting about this business is that they make armor, under government contract, manufactured locally, which has a life-saving impact on our men and women who serve this country. This business investment represents the future of our community and is an example of how business growth will help expand our tax base.

During the last year our community was successful in obtaining an \$800,000 grant as a result of the leadership of Senator Schumer. This new resource will be utilized for the restoration of the trolley tracks along our waterfront, an improvement that will allow our tourist industry to grow and in the future could provide transportation to our new housing developments.

Hudson Landing, a large Hudson River housing development plan, is now in the design phase. The SEQUR (environmental) review for the development concluded this past year. It was a review that took over seven years to complete and finally the project is a step closer to becoming a reality.

The Sailor's Cove, another housing project, has recently submitted a response to public input, allowing that process to move forward. I strongly support these projects because expanding our tax base, both residential and commercial, is crucial in our economic

recovery and will, in addition, help solve some of our moderate housing needs.

These waterfront communities will eventually tie into our current Rondout business district. We have to thank Congressman Hinchey, again, for obtaining 1.2 million dollars in grant money, and an additional sum of \$200,000 in stimulus funds to start the waterfront walkway project. New brick pavers are currently being installed to enhance our waterfront district. This new improvement makes the area even more inviting to the public and allows for the safe foot traffic along the creek. Also, a \$440,000 dollar grant has been awarded to complete the façade at our waste- water treatment plant, a place along the strand in need of improvement, and a necessary piece of the waterfront revitalization plan.

These improvements fall within our plan to provide public infrastructure to support private investment on the waterfront.

On the topic of revitalization, I want to mention that we will be exploring a “Block by Block Initiative,” which is a comprehensive, neighborhood stabilization task force. It catalogs each property in a target area to identify consistent problems and map out a strategy for enforcement, crime suppression and reinvestment policies, block by block. It has been adopted by Mayor Jennings of Albany and has proven successful since 2007.

As the city prepares for the future we must focus on a place in need of attention, the former King’s Inn facility. For too many years this building has been neglected, causing blight in the heart of our city, which could be a vital asset to the midtown area. In the near future, I will be asking members from this community to serve on a commission to create a plan for future development of this potential treasure. The committee will be representative of the stakeholders in the mid-town community. If planned and executed correctly, this could be a catalyst for change in the midtown area.

Revitalization of a community is a multi- faceted process that includes not only new construction and planning but also includes the proper maintenance of existing facilities. I want to express my deepest gratitude to Community Playthings, an organization who has pledged to sponsor the total cost for the replacement of the turf in Dietz Stadium. This generous donation will enable us to begin the process of renovating the stadium and it demonstrates that citizens,

governments, and community organization can come together for the good of the greater community.

From the onset of my career as mayor I have made a particular commitment to the homeless, disadvantaged and the disenfranchised people of Kingston. I have always tried to give a voice to those who often are unheard in our community. I have been unwilling to accept sub-standard housing for our homeless families and have fought tirelessly to locate a family based shelter here in the city, where residents can access needed services and transportation. The Kingston School District reports that over 140 homeless students have been enrolled since the beginning of the school year. This number includes some children who resided in permanent housing outside the City of Kingston, but were placed in shelters within the City of Kingston. These numbers are on the rise due to the economic downturn.

I have worked with private developers and non-profit agencies such as RUPCO to provide affordable housing to our residents who need it. Additionally, Kingston offers families in need an opportunity for housing in a myriad of complexes, such as Birchwood Village, Rondout Gardens, and Colonial Gardens.

Kingston has taken its responsibility to the disadvantaged seriously. Kingston City Schools, which serves several towns in the County, continues to educate homeless children who come to school from motels, children who are displaced because the town in which they reside does not provide shelter or affordable housing. It is my contention, that while our community has risen to the need of our poor, other towns have fallen short. It is simply unacceptable for a child to be moved outside the comfort of his own backyard into a shelter in a community that is unfamiliar. As Mayor, I will continue to take ownership and responsibility for ensuring that the children in this City are sheltered and safe. I will, however be asking other towns and villages in the county to do the same. I hope that Kingston's commitment to housing can be a shining example to other towns and to the County of Ulster. This year I will be asking other governmental agencies to make a commitment to the people in their communities who need them most. I hope to be a resource to this county and to the other towns who currently need to explore affordable housing options in their communities.

This year has been one of budgetary challenges as well as community progress. The economic issues have been a concern

that will continue to be a priority for this City. We will be looking for unique ways to solve our local problems. We will never be defeated by our troubles! We are a strong, caring community with many resources, most especially our people. Kingstonians are people who rise to every occasion. We come together when we need each other resolving our problems with thought and understanding. We respond when called and share in time of need. Kingston is blessed. We will ride the rough waters, tethered together as a community. As proudly illustrated on our city seal, our sailboat will take us to a place of calm, on the banks of the mighty Hudson, to a home we lovingly call Kingston.

Thank you and God bless the great City of Kingston.